



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 5, 2000

### **S. 1515** **Radiation Exposure Compensation Act Amendments of 1999**

*As passed by the Senate on November 19, 1999*

#### **SUMMARY**

S. 1515 would broaden the population covered by the Radiation Exposure Compensation Act, which authorizes monetary compensation to individuals who were present, or nearby when nuclear weapons tests were conducted, or who worked in uranium mines, and later developed certain diseases. The legislation also would authorize the appropriation of such sums as may be necessary for each of the fiscal years 2000 through 2009 for the Department of Health and Human Services (HHS) to make grants to states to combat radiogenic cancers and diseases.

CBO estimates that implementing S. 1515 would result in additional discretionary spending of about \$750 million over the 2000-2005 period, assuming appropriation of the necessary amounts. About \$650 million of this total would be for compensation payments to individuals for radiation exposure, and the remainder would be spent on HHS grant programs. Because S. 1515 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

Current law restricts compensation for radiation exposure only to individuals who were present in certain western states between 1947 and 1971, and who meet certain requirements relating to radiation exposure and medical conditions. S. 1515 would increase the number of persons eligible for compensation payments, by:

- Adding more qualifying occupations relating to uranium production,
- Increasing the number of states covered and extending the time period considered for radiation exposure,
- Adding more diseases which may qualify individuals for compensation,
- Decreasing the level of radiation exposure that is necessary to qualify, and
- Making certain medical criteria less stringent for potential claimants.

S. 1515 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. This legislation would create a new private-sector mandate that would reduce the fees paid to claimants' attorneys, but CBO estimates that the total costs of the mandate would fall below the threshold established in UMRA (\$109 million in 2000, adjusted annually for inflation).

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1515 is shown in the following table. The costs of this legislation fall within budget functions 550 (health) and 050 (national defense).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Compensation Under Current Law <sup>a</sup>						
Budget Authority/Estimated Authorization Level <sup>b</sup>	3	10	10	5	5	5
Estimated Outlays	12	10	10	5	5	5
Proposed Changes						
Additional Radiation Exposure Compensation						
Estimated Authorization Level	0	20	120	200	200	106
Estimated Outlays	0	20	120	200	200	106
HHS Grants						
Estimated Authorization Level	20	21	21	21	22	22
Estimated Outlays	1	19	23	22	21	21
Total Changes						
Estimated Authorization Level	20	41	141	221	222	128
Estimated Outlays	1	39	143	222	221	127
Spending Under S. 1515						
Estimated Authorization Level	23	51	151	226	227	133
Estimated Outlays	13	49	153	227	226	132

a. Over the 1991-1999 period, total appropriations of about \$238 million were provided for radiation exposure compensation.

b. The 2000 level is the amount appropriated for that year. The 2001-2005 levels are CBO estimates of compensation payments under current law for those years.

## **BASIS OF ESTIMATE**

For this cost estimate, CBO assumes that funds will be appropriated for each fiscal year as they are needed to pay valid claims and to provide the HHS grants.

### **Additional Radiation Exposure Compensation**

CBO expects that spending authorized by S. 1515 would follow a pattern similar to the payments authorized by the Radiation Exposure Compensation Act, but probably would occur somewhat faster because potential claimants are more familiar with the program. Most payments probably would occur within two to four years after enactment and virtually all payments would be made within 10 years of enactment. We estimate that compensation payments that would be authorized by this legislation total about \$650 million over the 2000-2005 period, and an additional \$200 million over the following five years.

**Uranium Miners.** CBO estimates that most of the payments under S. 1515 would be made to individuals who have worked in underground uranium mines. Based on information from the National Institute of Occupational Safety and Health, we estimate that there are about 20,000 former uranium miners in the United States (some of whom may be deceased, but whose families could receive payments). Under the Radiation Exposure Compensation Act, about 3,000 of these miners have filed claims and about half of them were successful. Because S. 1515 would cover more diseases that these miners may have developed and mining operations in more states over a longer time period, CBO estimates that roughly 1,775 additional miners would file claims for the first time from 2000 through 2005 and that 75 percent of these claims would be approved. In addition, we expect that most of the 1,500 miners whose claims were previously denied would refile and that about 75 percent of these claims would be approved, resulting in a total of about 2,500 successful claims from 2000 through 2005. CBO expects approval rates under S. 1515 to be higher than under current law because this legislation eases the requirements for approval. Each eligible uranium miner would be authorized to be paid \$100,000 under S. 1515. Thus, implementing these provisions would cost about \$250 million over the 2001-2005 period.

**Other Groups Covered by S. 1515.** Five other groups of individuals may be eligible for compensation under this act, including people who:

- Worked in uranium mills,
- Worked in above-ground uranium mines,
- Transported uranium ore from mines to mills,

- Participated in atmospheric nuclear tests conducted by the federal government (“on-site participants”), and
- Were present in certain areas close to such tests (known as “down-winders”).

Based on information about these groups from the Department of Justice, CBO estimates that roughly 9,600 persons would file claims during the 2000-2005 period, and that about 60 percent would gain approval and receive payments of \$50,000 (for down-winders), \$75,000 (for on-site participants), or \$100,000 (for other individuals). CBO estimates that, in total, the other groups targeted by this legislation would be authorized to receive payments of \$400 million over the 2001-2005 period.

## **HHS Grants**

S. 1515 would authorize the appropriation of funds for state programs to screen individuals for cancer, provide referrals and follow-up services, develop and disseminate public information for the detection, prevention, and treatment of radiogenic cancers and diseases, and assist applicants in the documentation of compensation claims. Based on information from HHS, we estimate this work would cost about \$20 million annually.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 1515 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. State and local agencies would be eligible to compete for the grants authorized by the act. Funds could be used by the agencies for a variety of purposes, including educating the public about radiation exposure and preventing, detecting, and treating diseases caused by such exposure.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

S. 1515 would create a new private-sector mandate by reducing the limit on attorneys’ fees under the Radiation Exposure Compensation Act. Current law limits attorneys’ fees to 10 percent of the payment by the government to the claimant, but S. 1515 would set the maximum allowable fee at 2 percent. The mandate would primarily affect lawyers representing uranium miners and their survivors with claims pending under current law. For a successful claim of this type, S. 1515 could cost the miner’s attorney up to \$6,000. CBO

anticipates, however, that the number of successful claims would be quite low. The limit on fees also applies to other types of claims under S. 1515, but because such claims are difficult to pursue under current law costs related to them would not be significant. Consequently, the total costs of the mandate would fall below the threshold established in UMRA (\$109 million in 2000, adjusted annually for inflation).

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